

## STATEMENT OF PURPOSE

### RS19462

The purpose of this legislation is to provide an economic development incentive for new manufacturing facilities construction and development. The legislation modifies H550 (2008) by removing the requirement for development to occur in rural development areas.

The legislation will grant the board of county commissioners authority to offer property tax exemptions for a maximum of five (5) years to a taxpayer who spends a minimum of \$3,000,000 for new manufacturing facilities. The taxpayer must demonstrate significant economic benefits that will accrue to the county from such property development.

dfgdfgThe legislation prohibits counties from increasing assessed evaluation of the property until such time as property taxes are actually collected on the project. This proposal will allow board of county commissioners an incentive to help compete more effectively and on a more timely basis with neighboring states to attract new development to the state and their county. The legislation also requires that any development seeking to receive a tax exemption that is located within an incorporated city, but not in a rural development zone, has to also receive the approval from the city in which it is being proposed.

### FISCAL NOTE

No cost to the General Fund.

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